

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**

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December 24, 2004

To: CSBG Contractors

Subject: **2004/2005 and new 2005 Community Services Block Grant (CSBG) Contract**

**2004/2005 Contract:**

The Department of Community Services and Development (CSD) have issued a new contract for the 2005 Program Year due to the newly implemented National Indicators of Community Action Performance. To assist in the transition of the current two-year Contract the following is applicable:

- The 2004/05 Contract will be cancelled effective July 1, 2005. Thus, there is no need to request an extension at this time.
- If your agency has expended the entire 2004 CSBG allocation, it is not required to submit programmatic and fiscal reports reflecting zero activity and expenditures for the period of, January 1 through June 30, 2005.
- The Close-out Report will be due within 90 calendar days after June 30, 2005.
- If your agency has expended the 2004 CSBG allocation and wants to submit the close-out report before the contract cancellation date of June 30, 2005, please contact your Field Representative for the forms.

**2005 Contract:**

On December 8<sup>th</sup> the President signed the Omnibus budget bill into public law funding CSBG at \$641.9 million minus an across the board cut of 0.80%. In compliance with Government Code 12785, discretionary funds have been used to bring California's funding level up to the 2004 funding level. However, because there was a funding reduction between 2003 and 2004, and discretionary funds were used to backfill to the prior year, non minimum funded agencies will notice a small cut in their 2005 contract amount.

Although CSD has not yet received the official grant award letter, the Office of Community Services has authorized states to expend up to 50% of their 2005 award. Therefore, even though the 2005 contracts are for the full 2005-contract amount, agencies are constrained to expending 50% of the contract until they receive a letter from CSD authorizing full expenditure. Pursuant to Exhibit B.1.A, the 50% includes the

25% working capital advance. It is highly unlikely that the 50% contract expenditure limit will cause any disruption in service, as we expect to receive the grant award letter in the coming weeks.

The final 2005 CSBG Contract, Exhibits, and Reporting Forms are available for download from the CSD website at <http://www.csd.ca.gov>. The 2005 CSBG Contracts will be effective **January 1, 2005 through December 31, 2005**.

CSD has incorporated some major changes into the contract. Additionally, substantial changes were made to the reporting forms.

Listed below is a summary of the major changes implemented in the 2005 CSBG Contract:

- Exhibit B, Budget Detail and Payment Provisions, 1.C., reflects language on the process of outstanding advance repayments.
- CSBG National Performance Indicators (NPI), CSD 801 (Rev. 12/04) reflects the new outcomes reporting required by the Office of Community Services (OCS). The CSD 801 will serve as the contract planning and reporting forms. These forms replace the CSBG Program Report, CSD 415.
- CSBG Programmatic Data - Safety Net Client Contact Report (CSD 296 - SNCC), has been eliminated. NPI, 6.2 Emergency Assistance, captures this data.
- Report due date has been revised from the fifteenth (15<sup>th</sup>) to the twentieth (20<sup>th</sup>) calendar day of the reporting period for the CSD Fiscal Data - Program Support Cost Report (CSD 425.ER), CSBG National Performance Indicators (CSD 801), and Client Characteristic Report (CSD 295-CCR) to provide the contractors additional time to aggregate data submitted to CSD.
- Client Characteristic Report (CSD 295 -CCR) has been changed to an annual report.
- Exhibit D - Supplemental Audit Guide: This new guide contains audit requirements based on general accepted accounting practices, and the Office of Management and Budget Circulars (OMB). For questions specific to this guide, please contact Dick Bueche, Chief of Financial Operations at (916) 341-4260.
- Standard state contracting language as required by the State Department of General Service and OMB, was updated as appropriate.

**Additionally, the Federal National Guide to Organizing & Reporting National Indicators of Community Action Performance, published by The Office of Community Services on September 27, 2004, is also available on CSD's website <http://www.csd.ca.gov>, and should be utilized when completing the CSD 801 (Rev. 12/04) Reporting Forms.** The California Supplemental Guide is being revised and will be forthcoming at the 2005 Sub-regional Training Workshops.

If you have any questions regarding your 2005 CSBG Contract, please contact your Field Representative.

*Wishing you and your loved ones a Happy Holiday Season.*

Sincerely,

TIMOTHY DAYONOT  
Director

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**

**2005 COMMUNITY SERVICES BLOCK GRANT (CSBG)**

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**EXHIBIT A**  
**(Standard Agreement)**

**SCOPE OF WORK**

1. Contractor agrees to provide services and activities to eligible participants residing in the service area described in Exhibit A, Section 2., pursuant to Government Code Section 12725 et seq., and 42 United States Code (USC) 9901 et seq., as amended, the Community Services Block Grant Act.

2. The services shall be performed in the following service area:

3. Send all correspondence and fiscal reports to:

State Agency:	Department of Community Services and Development
Section/Unit:	Field Operations
Address:	700 North 10 <sup>th</sup> Street, Room 258 Sacramento, CA 95814
Phone:	(916) 341-4200
Fax:	(916) 327-3153

**EXHIBIT B**  
**(Standard Agreement)**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

1. Payments

- A. The State shall issue one working capital advance to Contractor in an amount equal to **25** percent of the total consideration set forth on Std. 213, item 3. of this Agreement. Subsequent bimonthly payments shall be made based on actual expenditure reports being submitted timely as indicated in Exhibit B, Section 2. Reporting Requirements, of this Agreement.
- B. Under the Provisions of Federally Funded Grants Exhibit E.8.B. the Contractor is constrained to expending 50 percent of the Contract agreement amount, as set forth on Std 213, item 3, until the Contractor is notified by the State that the constraint has been rescinded. Additionally, pursuant to Exhibit B.1.A, the 50 percent includes the 25 percent working capital advance.
- C. Contractor shall insure that the required agency-wide audit be submitted timely, corrective action plans are adhered to, CSD receivables are submitted timely, and/or that repayment schedules are met and adhered to, or CSD shall withhold advance or subsequent payments.
- D. CSD will initiate repayment of advance payments outstanding after the close of the second quarter of the contract term, or whenever the unexpended contract balance reaches 40% of the total consideration, whichever comes first. The State shall begin applying approved expenditures to the outstanding advance balance, thereby offsetting any subsequent reimbursements. The State shall determine amounts to be offset by applying the balance of the advance equally into the remaining expenditure reporting periods. An exception may occur if the expenditure reports submitted are less than the applied settlement formula (as described immediately above). In that case, the State shall apply the entire reimbursement amounts against the outstanding advance balance.
- E. In the event this Agreement is amended to increase the consideration of this Agreement, a subsequent advance payment plus any previous advances already allowed shall not exceed 25 percent of the total consideration of this Agreement.
- F. Budget Contingency Clause
  - 1) It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations

**EXHIBIT B**  
**(Standard Agreement)**

under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

- 2) If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

2. Reporting Requirements

- A. The issuance of other CSD contracts, to include reimbursement payments, to the Contractor shall be contingent upon timely receipt of the required reports of this Agreement.

1) Bimonthly Fiscal Reports

Contractor shall complete and submit to the State, on the current, appropriate CSD forms, a bimonthly Fiscal Expenditure Report/CSD Fiscal Data - Program Support Cost Report (CSD 425.ER-Rev. 11/02). Contractor shall ensure that the reports with original signature are received by the State on or before the twentieth (20<sup>th</sup>) calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding two-month period. Due dates for bimonthly reports to CSD are as follows:

<u>Bimonthly Report Period</u>	<u>Report Due Dates</u>
January-February 2005	March 20, 2005
March-April 2005	May 20, 2005
May-June 2005	July 20, 2005
July-August 2005	September 20, 2005
September-October 2005	November 20, 2005
November-December 2005	January 20, 2006

2) Semiannual Report

Contractor shall complete and submit to the State on the current, appropriate CSD forms, the applicable:

- CSBG/NPI Programs Report, CSD 801 NPI



**EXHIBIT B**  
**(Standard Agreement)**

Contractor shall ensure that the reports are received by the State no later than the twentieth (20) calendar day following each six-month report period, irrespective of the level of activity or amount of expenditure in the preceding six-month period. The NPI Programs Report shall be submitted via e-mail to [CSBGReports@csd.ca.gov](mailto:CSBGReports@csd.ca.gov).

Due dates for semiannual reports to CSD are as follows:

<u>Semiannual Period</u>	<u>Report Due Date via e-mail</u>
CSD-801	
January-June 2005	July 20, 2005
January-December 2005	January 20, 2006

3) Annual Report

Contractor shall complete and submit to the State on the current, appropriate CSD form, the applicable:

- Client Characteristic Report, CSD 295-CCR

Contractor shall ensure that the report is received by the State no later than the twentieth (20<sup>th</sup>) calendar day following each annual report period, irrespective of the level of activity or amount of expenditures. The report shall be submitted via e-mail to [CSBGReports@csd.ca.gov](mailto:CSBGReports@csd.ca.gov).

Due date for the annual report to CSD is as follows:

<u>Annual Period</u>	<u>Report Due Date</u>
CSD 295	
January-December 2005	January 20, 2006

4) Community Services Block Grant Information System (CSBG/IS Annual Survey)

Contractor shall complete and submit to the State on the current appropriate CSD forms the CSBG Fiscal Data—Other Funds (CSD 425.OF), CSBG Fiscal Data—Other Resources (CSD 425.OR), and the CSBG Program and Management Accomplishments (CSD 090). Contractor shall ensure that the completed reports are received by the State no later than the first (1<sup>st</sup>) of March following the contract term. The due date for the CSBG/IS Annual Survey is:

**EXHIBIT B**  
**(Standard Agreement)**

Contract Period

Due Date

January 1, 2005 through  
December 31, 2005

March 1, 2006

B. Close-out Report

Contractor shall submit, on the appropriate CSD forms, financial and programmatic close-out reports to the State within ninety (90) calendar days after expiration of this Agreement. Final reimbursement to Contractor, if owed, shall be contingent upon timely receipt of this close-out by the State. Subsequent payments for CSBG or other CSD contracts shall be contingent upon timely receipt of the close-out of this Agreement. The issuance of other CSD contracts, to include reimbursement to the Contractor, shall be contingent upon timely receipt of the close-out of this Agreement. Close-out reports are subject to final review by CSD's Audit Services Unit.

C. Review

- 1) The State shall review Contractor's program operations reports and evaluate Contractor's demonstrated ability to effectively utilize all funds available under this Agreement and meet outcome goals.
- 2) An amendment to the total consideration of this Agreement may occur as a result of the State's review of Contractor's program and fiscal operations.

3. Budget and Work Plan

- A. Prior to execution of this Agreement by the State, Contractor shall submit to the State Attachment I, CSBG Fiscal Data Series. Contractor shall also submit to the State Attachment II, CSBG/NPI 801 Program Report, which shall reflect a description of outcome goals that will be used to monitor the success of the identified National Performance Indicators relevant to its programs, activities, and available resources for the delivery of services throughout the program period.
- B. With the exception of out-of-state travel costs, Contractor may exceed budget line items by more than ten (10%) percent. Expenditures may exceed budgeted line item amounts with equal decreases in other line items. Changes in line item amounts may not result in any increase in the total reimbursements. This provision does not alter the requirement of Exhibit B, Section 3. C. below pertaining to the twelve percent (12%) administration limitation, nor does it alter Exhibit E, Section 5. C. requiring prior approval for the purchase of equipment or vehicles. Expenditures in excess of the budget total shall not be reimbursed by

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CSD. In all other circumstances, pursuant to Exhibit E, Section 4. A., prior CSD approval of a properly completed Justification for Contract Amendment/Modification, CSD 425b, shall be required.

- C. For the purpose of administrative expenditures, Contractor shall use funds allocated under this Agreement in an amount not to exceed twelve percent (12%) of its total operating funds.
- D. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Low-Income Home Energy Assistance Program (LIHEAP) in excess of the LIHEAP contractual limitations.

4. Schedule of Attachments

The following attachments to this exhibit are hereby incorporated by this reference.

Attachment I	CSBG FISCAL DATA	
CSBG Contract Budget (Summary) Budget Support	CSD 425.S	(Rev. 12/04)
	CSD 425.1.1	(Rev. 11/03)
	CSD 425.1.2	(Rev. 11/03)
Attachment II	CSBG/NPI PROGRAM DATA	
CSBG/NPI Program Report	CSD 801	(Rev. 12/04)

**EXHIBIT B**  
**(Standard Agreement)**

**ATTACHMENT I**

CSBG FISCAL DATA

CSBG Contract Budget (Summary)	CSD 425.S	(Rev. 12/04)
Budget Support	CSD 425.1.1	(Rev. 11/03)
	CSD 425.1.2	(Rev. 11/03)

**EXHIBIT B**  
**(Standard Agreement)**

**ATTACHMENT II**

CSBG/NPI PROGRAM DATA

CSBG/NPI Program Report

CSD 801

(Rev. 12/04)

**EXHIBIT C**  
**(Standard Agreement)**

**GENERAL TERMS AND CONDITIONS**

1. Approval

This Agreement shall become a valid, enforceable agreement only after both parties sign it.

2. Amendment

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. Assignment

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. Audit

Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Government Code Section 8546.7, Public Contract Code Section 10115 et seq., California Code of Regulations Title 2, Section 1896)

5. Indemnification

Contractor agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

**EXHIBIT C**  
**(Standard Agreement)**

6. Disputes

Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. Independent Contractor

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

8. Nondiscrimination Clause

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

9. Timeliness

Time is of the essence in this Agreement.

10. Compensation

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

**EXHIBIT C**  
**(Standard Agreement)**

11. Governing Law

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

12. Child Support Compliance Act

For any Agreement in excess of \$100,000, the Contractor acknowledges in accordance with, that:

- a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b) Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

13. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

14. Computer Software

Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

15. Union Organizing

For all contracts, except fixed price contracts of \$50,000 or less, the Contractor acknowledges that:

By signing this agreement Contractor hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this Agreement and agrees to the following:

- a) Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.



**EXHIBIT C**  
**(Standard Agreement)**

- b) No state funds received under this Agreement will be used to assist, promote or deter union organizing.
- c) Contractor will not, for any business conducted under this Agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.
- d) If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

\\Cobra\Shared\Contracts\Community Services Block Grant\2005 Community Services Block Grant\2005 CSBG PDS\2005 CSBG Exhibit C  
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**EXHIBIT D**  
**(Standard Agreement)**

**SPECIAL TERMS AND CONDITIONS**

1. Travel and Per Diem

- A. Contractor's total travel for in-state and/or out-of-state and per diem costs shall be included in the contract Budget(s). Out-of-state travel costs that exceed the budgeted amount shall not be reimbursed without prior written authorization from CSD.
- B. Contractor's administrative-related travel and per diem reimbursement costs shall be reimbursed based on the Contractor's policies and procedures.
- C. Contractor's programmatic-related travel costs and per diem reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, Section 599.619, and 599.631, dated October 1, 2001, as amended from time to time.

2. Conflict of Interest

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit that either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards in writing to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

3. Insurance and Fidelity Bond

A. General Requirements

1) Third-Party Insurance

- a. By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.
- b. Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.
- c. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least 30 calendar days prior to said expiration date a new

**EXHIBIT D**  
**(Standard Agreement)**

Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance (ACORD 25) shall identify and name the State as the Certificate Holder.

- d. New Certificates of Insurance are subject to review for content and form by CSD.
- e. In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
- f. With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.
- g. The issuance of other CSD contracts, to include any cash advances, and reimbursement payments, to the Contractor shall be contingent upon required current insurance coverage being on file at CSD for this Agreement.

2) Self-Insurance

- a. When Contractor is a self-insured governmental entity, the State, upon satisfactory proof, may waive the appropriate insurance requirements upon written certification. An appropriate county or city risk manager shall sign this certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.
- b. Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amount.
- c. Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

B. Workers' Compensation Insurance

- 1) Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.

**EXHIBIT D**  
**(Standard Agreement)**

- 2) Contractor shall submit either an applicable Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure issued by the Director of the Department of Industrial Relations to the State as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

**C. Fidelity Bond**

- 1) Contractor shall maintain a fidelity bond in the minimum amount of four percent of the total amount of consideration set forth under this Agreement.
- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

**D. General Liability Insurance**

- 1) Contractor shall have and maintain for the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.
- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), naming CSD as an additional insured, to the State as evidence of compliance with general liability insurance requirements prior to issuance of an initial cash advance.

**E. Vehicle Insurance**

- 1) Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
- 2) When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement nonowned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. (Driving to and from work is not within the scope of employment.)
- 3) Contractor shall submit an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with said vehicle insurance requirements prior to issuance of an initial cash advance.

**EXHIBIT D**  
**(Standard Agreement)**

4. Subcontracts

Contractor may enter into subcontract(s) to perform the provisions of this Agreement.

- A. Prior to the commencement of subcontracted services under this Agreement, Contractor shall obtain board approval, to include but not be limited to, an assurance that the subcontractor agreement(s) shall comply with all terms, conditions, assurances, and certifications of this Agreement for the nonprofit and local governmental agencies performing services in the area(s) described in Exhibit A, Section 2.
- B. Contractor shall provide written notification to the State within 60 calendar days of execution of each subcontractor agreement the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed under this Agreement.
- C. Contractor shall immediately notify all of its subcontractor(s) in writing within five days of such action in the event the State suspends, terminates, and/or makes changes to the services to be performed under this Agreement.
- D. Contractor is the responsible party and shall remain liable for the performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract agreement(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of the subcontract(s).
- E. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor
- F. Contractor shall ensure compliance with the audit requirements as described in Exhibit C, Section 4, and Exhibit E, Section 2, contained within this Agreement, if subcontracting Community Block Grant (CSBG) services.

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**(Standard Agreement)**

5. Governing Board Resolution

Contractor assures that its governing body has adopted and passed a resolution specific to this Agreement that shall be forwarded to the State and that includes, at a minimum, the following provisions:

- A. Authorization for the submittal to the State of this Agreement, including all exhibits and assurances contained herein;
- B. The name and original signature of the chairperson of the board; the date signed by the chairperson; and, if applicable, the date the resolution was ratified by the board of directors;
- C. Authorization to and identification of the person/position certified as the official representative of the governing board to sign and enter into this Agreement;
- D. Identification of the contract number and program; and
- E. Authorization to and identification of the person certified as the official representative of the governing board to enter into and accept any amendments to this Agreement and revisions to exhibits.

6. National Labor Relations Board Certification

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

7. Drug-Free Workplace Requirements

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about:
  - 1) The dangers of drug abuse in the workplace;
  - 2) The person's or organization's policy of maintaining a drug-free workplace;
  - 3) Any available counseling, rehabilitation and employee assistance programs; and,
  - 4) Penalties that may be imposed upon employees for drug abuse violations.

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- C. Every employee who works on the proposed Agreement will:
- 1) Receive a copy of the company's drug-free workplace policy statement; and,
  - 2) Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

8. Internal Control Certification

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions.

The system of internal accounting and administrative control shall include:

- A. Segregation of duties appropriate to safeguard state assets.
- B. Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties.
- C. Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures.
- D. Practices to be followed in performance of duties and functions.
- E. Personnel of a quality commensurate with their responsibilities.
- F. Effective internal reviews.

9. Amendment for Change of Agency Name

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change, the State will process the amendment. Legal documentation could include the certified filing from the Secretary of State for private, nonprofit agencies or approval by the governing body for public entities. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

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10. Codes of Conduct

- A. Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to subagreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.
- B. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in Office of Management and Budget Circular A-110, section 42.

11. Auditing Standards

- A. Contractor assures that it will comply with the auditing standards set forth in Exhibit D, Special Terms and Conditions, Attachment I, Department of Community Services and Development's (CSD) Supplemental Audit Guide, which is hereby incorporated by this reference.
- B. As required by the CSD Supplemental Audit Guide, Contractor shall ensure that its CPA or CPA firm includes supplemental statements of revenue and expenditure for all CSD contracts or programs in the single agency-wide audit. Contractor shall ensure that its CPA or CPA firm:
  - 1) Audits the supplemental statements of revenue and expenditures and includes a reconciliation between reported and audited costs.
  - 2) Identifies schedules by administrative and programmatic costs (direct and indirect/allocated) related to CSD contracts.
  - 3) Includes supplemental statements that identify excess revenue and interest income earned by CSD programs as well as any cumulative balances being carried by the agency.



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- C. Contractor shall ensure that its CPA tests all indirect cost rates used in allocating costs to CSD programs and comments on the appropriateness of the allocation method being used. (If Contractor has an indirect cost allocation plan that has been approved by the agency's federal cognizant agency, this requirement does not apply.)
- D. Contractor shall have a system in place so that its client files contain supporting documentation and demonstrate compliance with this Agreement. Contractor's system shall include tracking or allocating hours and materials, cost per measure, and reimbursement claims to CSD. Contractor shall ensure that its CPA tests client files from each CSD program component for supporting documentation and program compliance for all applicable CSD contracts, as established by each contract's terms and conditions.
- E. Contractor shall ensure that its CPA fully reports on an agency's subsidiaries, wholly owned or otherwise, and all related, for-profit entities. If a separate audit of any subsidiary is not performed, Contractor shall ensure that its CPA fully discloses the activities of subsidiaries in the single agency-wide audit.

12. Expatriate Corporations

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code section 10286 and 10286.1, and is eligible to contract with the State of California.

13. Domestic Partners

Commencing on July 1, 2004 Contractor certifies that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1 2004 and prior to January 1, 2007, a Contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

14. Air or Water Pollution Violation

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

15. Information Integrity and Security

Contractor is a non-State entity; and as such it certifies that it will safeguard access to State information resources, which includes the integrity and security of the State's

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automated files and databases. (State Administrative Manual Sections 4840.4, 4841.2, and 4841.3) Contractor shall establish appropriate policies and procedures for preserving the integrity and security of each automated file or database to include, at a minimum, the following:

- 1) Appropriate levels of confidentiality for the data based on data classification (see State Administrative Manual Section 4841.3);
- 2) Standards for transmission and storage of the data, if applicable;
- 3) Agreement to comply with all State policy and law regarding use of information resources and data;
- 4) Signed confidentiality statements for any officers, employees, and board members that may have access to State information assets in conducting business with the State;
- 5) Agreement to apply security patches and upgrades, and keep virus software up-to-date on all systems on which data may be used; and
- 6) Agreement to notify the State data owners promptly if a security incident involving the data occurs.

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**ATTACHMENT I: CSD SUPPLEMENTAL AUDIT GUIDE**

The purpose of this guide is to provide a tool that can be used by the independent auditor and CPA firms that perform audits of agencies that contract with the California Department of Community Services and Development (CSD). All independent auditors and CPA Firms must follow this audit guide if the agency being audited is funded, totally or in part, by CSD contracts.

The primary focus of this guide is auditing and reporting on specific items of costs reported by CSD-funded agencies. The procedures outlined in this guide will, in most cases, exceed the requirements of Office of Management and Budget (OMB) Circular A-133.

This guide is not intended to be an auditing procedures manual but rather a guide that will assist the independent auditor and CPA firm in testing certain costs identified by CSD as needing more-detailed disclosure. Auditors performing the work related to this audit guide must still exercise professional judgment.

1. Auditor's Judgment

The auditor shall follow the procedures included in this audit guide unless in the exercise of his or her professional judgment, the auditor determines that other procedures are more appropriate in particular circumstances. However, the auditor must justify in writing any change from the audit procedures suggested by this audit guide.

2. Subcontracts

Subcontracts must be arms-length agreements. Validate and report to CSD. CSD-funded agencies should be aware that contracting with wholly owned subsidiaries might not be considered arms-length agreements. This is especially true where both boards have similar members.

3. System of Internal Control

Audits must include an examination of the systems of internal control. Internal control systems must be established to ensure compliance with laws and regulations affecting the expenditure of State and/or Federal funds, financial transactions and accounts, and the agency's process for submission of contractor billings submitted to CSD for the performance of the contract.

The agency's accounting system must provide for accumulating and recording of expenditures by cost category (budget line items) shown in the approved budget. The independent auditor or CPA firm must give an opinion on the internal controls of the agency being reviewed.

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4. Administrative Cost Cap

CSD contracts have an administrative cost cap. Administrative costs charged to each CSD contract must not exceed this cost. In addition, other Federal funds must not be used to exceed the total administrative cost cap charged to the CSD contract, unless specifically allowed by Federal statute.

5. Use of Indirect Cost Rates

A Federally Approved Indirect Cost Allocation Rate may be used for selected items of costs up to the maximum allowed by the CSD contract's administrative cost rate. Costs claimed for a specific line item in the budget cannot be reported as direct costs and also as indirect costs.

6. Validate the indirect cost rate used by the agency

Basis For Allocation of Costs

The independent auditor or CPA firm must identify the agency's basis for distributing costs to CSD contracts. Costs charged to CSD contracts must be allocable, allowable, and based on actual expenses incurred by the agency for the CSD contract. Costs charged to the CSD contract must also have an approved contract budget line item.

7. Going Concern and Subsequent Events

The independent auditor or CPA firm must provide a "positive assurance" statement that any (significant) subsequent events, related directly or indirectly, that occurred after the final closeout report and single agency-wide audit are submitted to CSD do not materially affect the closeout report, as submitted by the agency. Additionally, the independent auditor or CPA firm must provide "positive assurance" whether or not the agency will continue as a going concern. Some examples are litigation settlement, bankruptcy, mergers, large loans, cash flow problems, etc.

8. Representation Letter

A Representation Letter between the independent auditor or CPA firm and the agency must be forwarded to CSD. The Representation Letter must be signed by the Executive Director and the agency's controller (or equivalent).

9. Supplemental Statements

- A. Beginning with the 1994 program year, CSD contract provisions have required the financial and compliance audit to include supplemental statements. These supplemental statements must be included as part of the package submitted to CSD with the single agency-wide audit for each fiscal year. CSD uses the above information to reconcile the audited costs to the costs reported by the agency.

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- B. The supplemental statements should be based on the budget line items contained in the contract. The supplemental statement must include the contract budget line items, expenditures for each budget line item by fiscal year, total audited costs and total reported expenses by budget line item. Please refer to Attachment No. 4 for an example of the format to use for the required supplemental statements.

10. Testing of Transactions

A sufficient number of items should be selected for review that represent all material costs categories. The audit should determine whether:

- a. Agency's internal control over the contract is effective and working as intended;
- b. Reported program expenditures are allowable;
- c. Reported expenditures conform to funding or program limitations or exclusions;
- d. Reported expenditures are not charged to, or reimbursed by, other programs or funding sources.
- e. Transactions are properly approved, reported, and supported by source documents;
- f. Reported expenditures were incurred within the appropriate contract term; and
- g. Agency complied with applicable laws, regulations, and contract requirements.

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**ADDITIONAL PROVISIONS**

1. Limitation on Use of Funds (1998 CSBG Reauthorization Act, Section 678F)
  - A. Contractor shall assure that funds received under this Agreement shall not be used to replace discontinued state or local funding. Unless waived by the U.S. Department of Health and Human Services. Contractor shall assure that funds received under this Agreement shall not be used for the purchase or improvement of land or for the purchase, construction, or permanent improvement of any building or other facility. Funds other than administration may be used for low-cost weatherization or energy-related home repairs.
  - B. Contractor shall assure that funds provided under this Agreement shall not be transferred to any other local, state, or federal government program.
  - C. Contractor shall assure that programs assisted with CSBG funds shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel, in a manner supporting or resulting in the identification of such programs with:
    - 1) Any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office;
    - 2) Any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or
    - 3) Any voter registration activity.
  - D. Contractor assures that employees of any entity that receives CSBG funds will not:
    - 1) Use their official authority or influence to interfere with or affect the result of an election or a nomination for office; or
    - 2) Coerce, command, or advise a state or local officer or employee, or another employee of a CSBG-funded entity to pay, lend, or contribute anything of value to any person or entity (including a political party) for political purposes.
  - E. Contractor shall refrain from all lobbying activities if such activities involve the use of any funds that are the subject of this Agreement or any other funds, programs, projects, or activities that flow from this Agreement.

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- F. If Contractor engages in lobbying activities, Contractor shall complete and sign and date the Certification Regarding Lobbying/Disclosure of Lobbying Activities, Exhibit G, required by the U.S. Department of Health and Human Services under 45 CFR Part 93.

2. Audit Reports

- A. Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of OMB Circular A-133 for nonprofit and public agencies, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in "Government Auditing Standards, 1994 Revision, as amended."
- B. The financial and compliance audit shall contain the following supplementary financial information: A combining statement of revenue and expenditures for each contract which presents, by budget line item, revenue and expenditures for the contract or audit period.
- C. Private, nonprofit contractors shall submit to CSD two copies of the required audit report within six months of the end of the Contractor's fiscal year. Upon written request by the Contractor's CPA, which includes an explanation of why the audit cannot be submitted within six months of the end of the Contractor's fiscal year, an extension may be granted by CSD Audit Services Unit for submittal of the audit report not to exceed an additional 30 calendar days from the original due date. The audit reports are to be submitted to the following address:

Department of Community Services and Development  
Attention: Audit Services Unit  
700 North 10th Street, Room 258  
Sacramento, CA 95814

- D. Local governmental entities shall submit to CSD two copies of the required audit report within 30 calendar days after the completion of the audit, but no later than nine months after the end of the audit period. The audit reports are to be submitted to the address stated in Exhibit E, Section 2.C. above.

Local governmental agencies also shall submit the required number of copies of the audit report in accordance with the guidelines set by the Division of Audits of the State Controller's Office. Said reports are to be submitted to the following address:

State Controller's Office  
Division of Audits  
300 Capitol Mall, Fifth Floor  
Sacramento, CA 95814

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- E. Where services or funds under this Agreement are provided to, for, or by a wholly owned, or wholly controlled subsidiary of Contractor, Contractor hereby provides assurance that an audit shall be performed of this subsidiary organization in accordance with this section. Said required audit report shall be made available to the State upon request.

3. Corrective Action, Termination, and Reduction of Funding  
*(1998 CSBG Reauthorization Act, Section 678(C))*

- A. If Contractor has failed to comply with the material terms of this Agreement, the State shall:
  - 1) Inform the Contractor of the deficiency to be corrected;
  - 2) Require the Contractor to correct the deficiency;
  - 3) Offer technical assistance to help correct the deficiency, if appropriate; and
  - 4) Allow the Contractor to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct the deficiency within a reasonable period of time, as determined by the State.
- B. Not later than 30 days after receiving from Contractor a proposed quality improvement plan, the State shall either approve such proposed plan or specify the reasons why the proposed plan cannot be approved.
- C. After providing adequate notice and an opportunity for a hearing, the State shall initiate proceedings to terminate the designation of or reduce the funding of Contractor unless Contractor corrects the deficiency.
- D. A determination to terminate the designation or reduce the funding of Contractor is reviewable by the Secretary of the U.S. Department of Health and Human Services.
- E. Contractor may terminate this Agreement at any time prior to its date of expiration upon 30 calendar days' notice to the other party. Such notice shall be delivered to the other party in writing, stating the reason for termination and the effective date thereof.
- F. Upon termination of this Agreement, the State, unless granted in writing, shall not pay Contractor for any obligations incurred after the effective date of such termination.



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4. Amendment/Modification

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties. Exceptions to this requirement are line-item changes to the contract budget that do not affect the maximum amount payable under the contract or the work to be performed (see Exhibit B, Section 3.B.), and the exceptions provided for in Exhibit E, Section 8., Provisions for Federally Funded Grants. CSD 425b, Justification for Contract Amendment/Modification, is provided by CSD upon Contractor's request to submit changes to Attachment I or Attachment II.

- A. If a Contractor intends to request a contract modification to modify Attachment I or Attachment II, justification shall be submitted on CSD 425b, Justification for Contract Amendment/Modification, no later than 45 calendar days prior to the expiration date of this Agreement.
- B. Conference Report H.R. 3019, which became law in the 1996 federal appropriations legislation (Public Law 104-134), mandates that payments distributed by states to eligible entities under the CSBG Act, and not expended by such entity, must remain with such entity for carry-over into the next fiscal year for expenditure by such entity consistent with program purposes. See Exhibit E, Section 4.C. enacted below, for the exception to this provision. In order to facilitate this requirement in a timely manner, Contractor must request a contract extension no later than 45 calendar days prior to the end of the term of this Agreement. If the extension exceeds 60 calendar days and/or carry-over funds exceed 10 percent of the total contract amount, Contractor shall submit a revised Attachment I, CSBG Fiscal Data, and Attachment II, CSBG Program Report. In order to facilitate the timely execution of an amendment to extend the term of this Agreement, Contractor should make a request no later than 45 calendar days prior to the end of the term of this Agreement. Carry-over funds must be spent prior to expending new contract dollars.
- C. For unobligated funds exceeding 20 percent of the total contract amount, the State may recapture and redistribute the funds. The State shall redistribute such funds to an eligible entity or require the Contractor to redistribute the funds to a private, nonprofit organization, located within the community served by Contractor, for activities consistent with the purpose of this contract. This provision is provided for in Section 675C(a)(3)(A) of the 1998 CSBG Reauthorization Act.

5. Contractor Assurances and Certifications

- A. Contractor certifies that it possesses legal authority to apply to the State for grants funded under the California Community Services Block Grant Program Act and the Federal Community Services Block Grant Act.

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- B. Contractor assures that its governing board has adopted bylaws in accordance with the 1998 CSBG Reauthorization Act, Section 676B, and that such bylaws must assure that the board fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.
- C. Purchases
- 1) Contractor assures that all supplies, materials, equipment, or services purchased with funds provided by this Agreement shall be used solely for the activities allowed under this Agreement, unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.
  - 2) Contractor shall adhere to its established policies and procedures regarding the purchase, lease, or subcontracting for any articles, supplies, equipment, or services obtained from vendors or subcontractors having a per-unit cost in excess of \$5,000. Three competitive quotations shall be obtained or adequate justification maintained as to the absence of bidding. Policies and procedures shall be in conformance with OMB requirements contained in the following Circulars: A-102, Subpart C, or A-110 and approved by the Board of Directors. Noncompliance may result in a disallowance of the purchase/lease item(s) or subcontract. In cases of emergency where awarding a contract is necessary for the immediate preservation of public health, welfare, or safety, the three-bid process is not required.
  - 3) For purchase or lease of equipment having a per-unit cost of five thousand dollars (\$5,000) or more, Contractor shall prepare and submit a Request for Purchase/Lease Approval, CSD 558, to CSD prior to commencing purchasing/leasing activities. Noncompliance shall result in a disallowance of purchase/lease item(s).
- D. Contractor assures that it shall exercise due care in the use, maintenance, protection, and preservation of State-owned property in Contractor's possession or any other property purchased by Contractor with State funds. Such care shall include, but is not limited to, the following:
- 1) Maintaining insurance coverage against loss or damage to such property; and
  - 2) Ensuring that the legal ownership of any motor vehicle or trailer is in the name of the Contractor, not CSD.

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- E. Contractor assures that it shall be in compliance with Federal and State Occupational Safety and Health Statutes, the California Safe Drinking Water and Toxic Enforcement Act of 1986, and Workers' Compensation laws.
- F. Contractor assures that it shall coordinate its plans and activities with other Community Services Block Grant contractors who serve any part of Contractor's service area, so that funds provided under this Agreement are not used to duplicate particular services to the same beneficiaries.
- G. Contractor's plans and policies affecting all other Community Services Block Grant contractors shall be equitable and beneficial to all such contractors and the population they serve.
- H. Federal Certification Regarding Debarment, Suspension, and Related Matters

Contractor hereby certifies to the best of its knowledge that it or any of its officers:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- 2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and
- 4) Have not within a three-year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.

I. Pro-Children Act of 1994

Contractor must comply with Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the

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provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State and local governments. Federal programs include grants, cooperative Agreements, loans or loan guarantees, and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.

Contractor further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.

J. American-Made Equipment/Products

Contractor shall assure, pursuant to Public Law 103-333, Section 507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.

K. Contract Administration

- 1) Contractors shall administer this Agreement in accordance with OMB requirements contained in the following Circulars: A-102, Subpart C for public agencies or A-110 for nonprofit organizations.
- 2) Contractor shall conduct all procurement transactions in a manner to provide, to the maximum extent practical, open and free competition. Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals, or firms that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall award any subcontract to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor's solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.

L. Child Support Services and Referrals (Section 675G(B) 1998 CSBG Reauthorization Act)

Contractor assures that it shall inform custodial parents in single-parent homes who participate in CSBG-funded programs about the availability of child-support services and refer them to the child-support offices of State and local government.

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6. Compliance with Rules and Regulations

Activities of Contractor with respect to this Agreement shall be conducted in accordance with pertinent Federal and State rules and regulations, including relevant Office of Management and Budget (OMB) circulars and amendments thereto.

7. Record-Keeping Responsibilities

- A. All records maintained by Contractor shall meet the OMB requirements contained in the following Circulars: A-102 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) or A-110, Subpart C, Nonprofit Organizations, whichever is applicable.
- B. Contractor shall maintain all records pertaining to this Agreement for a minimum period of three years after submission of the Final Report of Expenditures. However, Contractor shall maintain all such records until resolution of all audit and monitoring findings are completed.
- C. Contractor shall make available appropriate books, documents, papers, and records to the Federal Government, the State, or any of their duly authorized representatives for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity upon a reasonable request therefor.
- D. Contractor assures that employee and applicant records shall be maintained in a confidential manner to assure compliance with the Information Practices Act of 1977, as amended, and the Federal Privacy Act of 1974, as amended.
- E. Upon request from CSD Contractor shall submit a certificate prepared by an independent accountant stating that Contractor's accounting system and internal controls are adequate to record and safeguard the assets entrusted to Contractor.

8. Provisions for Federally Funded Grants

- A. It is mutually understood that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both Parties, in order to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purposes of this Program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

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- C. It is mutually agreed that if the Congress does not appropriate sufficient funds for this Program, this Agreement shall be amended to reflect any such reduction in funds.
- D. The State has the option to invalidate this Agreement under the 30-day cancellation clause or to amend this Agreement to reflect any such reduction in funds.

9. Right to Monitor, Audit, and Investigate

- A. Any duly authorized representative of the Federal or State government, which includes but is not limited to the State Auditor, shall have the right to monitor and audit Contractor and all subcontractors providing services under this Agreement through on-site inspections, audits, and other applicable means the State determines necessary.
- B. Any duly authorized representative of the Federal or State government shall have the right to undertake investigations in accordance with Section 42 USC 9908 et seq., as amended.
- C. All Agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause permitting any duly authorized representative of the State or Federal government access to the working papers of said audit firm(s).

10. Nondiscrimination Compliance

- A. Contractor hereby certifies compliance with the following:
  - 1) Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
  - 2) Title VI and Title VII of the Civil Rights Act of 1964, as amended.
  - 3) Rehabilitation Act of 1973, as amended.
  - 4) Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
  - 5) Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.
  - 6) Public Law 101-336, Americans with Disabilities Act of 1990.

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- B. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this Section.

11. Affirmative Action Compliance

- A. Each Contractor or subcontractor with 50 or more employees and an Agreement of \$50,000 or more shall be required to develop a written Affirmative Action Compliance Program.
- B. The written program shall follow the guidelines set forth in Title 41 CFR Section 60-1.40, Sections 60-2.10 through 60-2.32, Sections 60-250.1 through 60-250.33, and Sections 60-741.4 through 60-741.32.
- C. Each Contractor or subcontractor with less than 50 employees shall comply with Section 202 of Part II of Executive Order 11246, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall comply in full with the requirements thereof.

12. Administrative Hearing for Denial of Client Benefits by Contractor

- A. Contractor has read and agrees to strictly comply with Title 22 of the California Code of Regulations, Section 100751, as amended, which sets forth elements to be included in client benefit denial appeal procedures and shall advise individuals who have been denied assistance of their 20-day right to appeal to the State.
- B. The client may withdraw request for appeal for administrative hearing at any time during the appeal process by rendering written or oral notice to the State. Where oral notice is given, such notice shall be confirmed in writing by the parties.

\\Cobra\Shared\Contracts\Community Services Block Grant\2005 Community Services Block Grant\2005 CSBG PDS\2005 CSBG Exhibit E  
Final.doc

**EXHIBIT F**  
**(Standard Agreement)**

**DEFINITIONS**

1. Authorized Agent: The duly authorized representative of the Board of Directors of Contractor and duly elected or appointed, qualified, and acting officer of the State. In the case of Contractor, the State shall be in receipt of board resolution affirming an agent's representative capacity to bind Contractor to the terms of this Agreement.
2. Contractor: The entity (partnership, corporation, association, agency, or individual) designated on page 1 of this Agreement.
3. CSD: The Department of Community Services and Development, State of California.
4. Parties: The State of California and the Contractor.
5. Subcontractor: An entity (partnership, corporation, association, agency, or individual) that enters into a subcontract with Contractor to fulfill a portion of the terms of this Agreement.
6. Subcontracts: Contracts entered into by and between Contractor and subcontractor to carry out a portion of the purposes of this Agreement.
7. The State: The State of California, Department of Community Services and Development.
8. This Agreement: The complete contents of this contract entered into by and between the State and Contractor, including all rights, duties, and obligations whether expressed or implied required toward the legal performance of the terms hereof.
9. This Program: The Community Services Block Grant (CSBG) Program, 42 USC 9901 et seq., as amended.
10. Amendment: A formal modification or change of a material term, such as the term, cost, or scope of work, in one or more provisions of an existing contract.
11. Expatriate Corporation: An "expatriate corporation" (Public Contract Code, section 10286.1) means a foreign incorporated entity that is publicly traded in the United States to which all of the following apply:



**EXHIBIT F**  
**(Standard Agreement)**

- a. The United States is the principal market for the public trading of the foreign incorporated entity.
- b. The foreign incorporated entity has no substantial business activities in the place of incorporation.
- c. Either clause i. or clause ii. applies:
  - i. The foreign entity was established in connection with a transaction or series of related transactions pursuant to which (I) the foreign entity directly or indirectly acquired substantially all of the properties held by a domestic corporation or all of the properties constituting a trade or business of a domestic partnership or related foreign partnership, and (II) immediately after the acquisition, more than 50 percent of the publicly traded stock, by vote or value, of the foreign entity is held by former shareholders of the domestic corporation or by former partners of the domestic partnership or related foreign partnership. For purposes of subclause (II), any stock sold in a public offering related to the transaction or a series of transactions is disregarded.
  - ii. The foreign entity was established in connection with a transaction or series of related transactions pursuant to which (I) the foreign entity directly or indirectly acquired substantially all of the properties held by a domestic corporation or all of the properties constituting a trade or business of a domestic partnership or related foreign partnership, and (II) the acquiring foreign entity is more than 50 percent owned, by vote or value, by domestic shareholders or partners. (iii) For purposes of this subparagraph, indirect acquisition of property includes the acquisition of a stock share, or any portion thereof, of the owner of that property.

**EXHIBIT F**  
**(Standard Agreement)**

12. Non-State Entity      A business, organization, or individual that is not a State entity but that requires access to State information assets in conducting business with the State. Includes, but is not limited to, researchers, vendors, consultants, and their employees and entities associated with federal and local government and other states.



**CERTIFICATION REGARDING LOBBYING**

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FAMILY SUPPORT ADMINISTRATION

PROGRAM: Community Services Block Grant

PERIOD: January 1, 2005 through December 31, 2005

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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Title

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Signature

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Agency/Organization

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Date

Approved by OMB  
0348-0046

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change  For Material Change Only: year _____ quarter _____  date of Last report _____	
<b>4. Name and Address of Reporting Entity:</b> <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: _____			<b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b>   Congressional District, if known: _____		
<b>6. Federal Department/Agency:</b>  _____			<b>7. Federal Program Name/Description:</b>  CFDA Number, If applicable: _____		
<b>8. Federal Action Number, if known:</b>  _____			<b>9. Award Amount, if known:</b> \$ _____		
<b>10. a. Name address of Lobbying Entity (if individual, last name, first, name, MI):</b>  _____  (attach Continuation Sheet(s) SF-LLL-A, if necessary)			<b>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):</b>  _____  (attach Continuation Sheet(s) SF-LLL-A, if necessary)		
<b>11. Amount of Payment (check all that apply):</b>  \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned			<b>13. Type of Payment (check all that apply):</b> <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other; specify: _____		
<b>12. Form of Payment (check all that apply):</b> <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify:    nature _____ value _____					
<b>14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s), contacted, for Payment indicated in Item 11:</b>  _____  (attach Continuation Sheet(s) SF-LLL-A, if necessary)					
<b>15. Continuation Sheet(s) SF-LLL-A attached:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>16 Information requested through this form is authorized by Title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1353. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty for not less than \$10,000 and not more than \$100,000 for each such failure.</b>			<b>Signature:</b> _____  <b>Print Name:</b> _____  <b>Title:</b> _____  <b>Telephone No.:</b> _____ <b>Date:</b> _____		
<b>Federal Use Only:</b>			<b>Authorized for Local Reproductions Standard Form – LLL</b>		

**DISCLOSURE OF LOBBYING ACTIVITIES**  
CONTINUATION SHEET

Approved by OMB  
0348-0046

Reporting Entity: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_

Authorized for Local Reproduction  
Standard Form - LLL-A

# INSTRUCTION FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
(b) Enter the full name of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Included all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budgets. Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

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